

The Role of Government in Fostering Small Business

The small-business community plays a critical role in fostering the U.S. economy. Since 1989, small business has created 93.5 percent of net new jobs—4,000 new jobs every day. Given the current lagging state of the U.S. economy and small business's critical role in job creation, small-business needs must not be an afterthought when crafting policy. With a host of unique challenges faced by small-business owners and entrepreneurs, there exists a very important and unique mission NSBA believes the federal government ought to be fulfilling.

Small-business owners face a significant competitive disadvantage from larger businesses in their ability to get financing, provide health insurance, understand the ever-changing tax laws, and navigate the complex web of federal, state and local regulations. To try and level the playing field, NSBA calls for the enhancement to the U.S. Small Business Administration to a cabinet-level department to properly reflect the important role small business plays in the U.S. economy, and ensure small-business interests are represented in all levels of the government.

The department would focus solely on small businesses, and would provide greater concentration of all federal small-business programs in an effort to enhance the voice of small business and ensure the federal government is doing everything it can to spur economic growth. NSBA has identified a set of critical areas where a federal department would actively engage on behalf of the small-business community.

Access to Capital

The department would work with bank regulators to ensure small-business loans can be safely made without excess risk to the banks or prohibiting viable businesses from getting financing, as well as leverage private markets to ensure alternative financing options are available to small businesses

Taxes

The department would work closely with the IRS on behalf of small business to work toward simplification of the tax code, provide assistance rather than punishment in the case of inadvertent mistakes due to small businesses' lack of tax expertise, and provide input on tax collection procedures.

Health Care

The department would encourage meaningful and broad reform of the U.S. health care system which would reduce health care costs while improving quality, bring about a fair sharing of health care costs, and focus on consumer empowerment in order to ensure that the small-business community is not forced into a second-rate health insurance market.

Regulatory Reform

The department would have strong oversight and enforcement abilities regarding new and existing federal regulations and paperwork requirements, as well as conduct research to analyze the role of small businesses in the U.S. economy.

Entrepreneurial Development

The department would, in order to spur economic growth, provide technical assistance to entrepreneurs to ensure that individuals who may not have the knowledge inherent to running a business aren't prevented from bringing their good business idea to fruition.

Energy Efficiency

The department would work cooperatively with other agencies in creating incentives for the use, research, and development of alternative and renewable energy sources, and increased incentives and mechanisms for small business energy-efficiency improvements.

Procurement

The department would exercise oversight and enforcement regarding any federal contracting, with a mission of ensuring that small businesses are treated fairly in the federal marketplace.

America's small businesses deserve a department which is able to ensure that America's job creators are at the table in any policy or regulatory discussions relevant to the small-business community. The heavy responsibility of economic growth which is placed on the small-business community ought to be reflected in the how the federal government treats and works with small business.